

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Survey of Defense Agencies in Action

More than 25 Important Bureaus Have Been Created to Conduct Military Program

SPAB MAIN POLICY AGENCY

It Consists of Key Defense Leaders Who, with President Roosevelt, Make the Big Decisions

In normal times, it is difficult enough for the average citizen to wade through the welter of departments, bureaus, commissions, agencies, boards, and authorities which constitute the machinery of the federal government. The task seems almost hopeless now that a super-structure of defense agencies has been added to the regular machinery of the government.

But it is extremely important that the well-informed citizen acquaint himself with the organization which is handling the gigantic defense program of the United States. Every newspaper edition is devoted to action taken by one of the defense agencies. No radio news broadcast is free from reference to the OEM or the SPAB or the NDMB or the OPM or the OCD or any one of more than two dozen so-called defense agencies.

What are the principal agencies dealing with defense? What are the chief functions of each? Who are the key figures in carrying out this stupendous program?

Complicated Structure

It is practically impossible to see the defense program as a whole because it involves dozens of boards and bureaus and commissions and agencies of various kinds in Washington, as well as branches established throughout the nation. No one in the nation's capital is exactly certain about the setup, and there is admittedly a great deal of overlapping and confusion. In this article we can hope only to trace the main outlines of the defense structure, in order that our readers may obtain a better picture of the machinery as a whole. The chart on page 7 is designed to show the main outlines of the defense organization.

The cardinal fact about the defense setup is that at the top of the entire program is the President. Naturally, he has delegated many powers to others. But he is the final authority and all individuals and agencies take orders from him. The heads of all the defense agencies are responsible to him. In brief, the defense agencies are a great expansion of the "executive office of the President."

As the defense program has called for an enlargement of the President's powers and duties, it is natural that many of the key figures in the agencies are those who, in normal times, act as his chief lieutenants; that is, the members of the cabinet. Thus one finds in the principal agencies

(Concluded on page 7)



Washington—nerve center of the defense program

The Right of Opinion

By Walter E. Myer

"I have a right to my own opinion," you may say, and of course you have. As an American you have the unquestioned right to think as you please, and, within limits, to express your opinions. No one who believes in the principles of democracy would deny you that privilege. You may speak your mind even if you are wrong in your facts and ideas, for there is no one in America who is delegated to decide what ideas are good and what are bad. So long as one avoids violence or slander he may speak his mind freely.

But some things are legal without being proper, without being in good taste, and the exercise of the right to speak may be one of them. All expressions of opinion are equal before the law but all are not equally entitled to a hearing. The right to speak involves certain responsibilities. One may not properly express an opinion unless it is based upon fact and developed with thought and reason. This is especially true when the expressions of opinion affect others, as they so often do. You may think ill of a person, but you have no right to express an unfavorable opinion about him until you have taken pains to find out whether your idea is justified by facts. That is, you may not properly express yourself adversely about another unless your feelings are based on positive evidence. No one has a moral right to engage in idle gossip.

You have a legal right to air your views on a question of public policy, but the very fact that you enjoy such a precious privilege—a privilege denied to the people of most countries—should make you very careful about the way you exercise it. Don't bring the right of free speech into disrepute by expressing merely prejudices instead of informed opinions. One does not express sound, reasonable, and beneficial opinions without effort. Sane, logical opinions do not come natural to people. One does not form valid opinions with the effortless ease with which a duck swims. Opinions worth expressing are based on solid facts, on information which is sometimes elusive. When a person takes the pains involved in running down facts, in building them into a system of ideas, when he bases his opinions on evidence and critical thinking, he has a right to express his ideas—a right which is on a higher plane than the right of the ill-informed to speak.

It is entirely proper that we should value our right to speak freely. It is our duty to preserve that right. But we should think of duties as well as rights. The value and worth of any right depends upon the way it is used. We possess a precious privilege—the right of free thought and speech. This is a fine-edged tool with which we may, if we are skilled workmen, help to fashion a better society, a greater nation. To use this tool slothfully or inefficiently is to break faith with the men and women who have, through the long years of our history, won and preserved for us the liberties we enjoy.

U. S. Relations With Argentina Improved

Washington-Buenos Aires Trade Pact Clears Air After Long Period of Friction

BUT MANY ISSUES REMAIN

Argentines Still Suspect the U. S. Is Up to No Good; Watch Our Moves Uncertainly

The agreement recently signed in Buenos Aires (see THE AMERICAN OBSERVER for October 27) binds the United States and Argentina in a commercial pact for the first time since 1853. Since this pact follows a long period of friction between these two countries (friction which has often been largely responsible for the failure of Pan American conferences), there are many thoughtful people who hope and believe it will usher in a new era of Argentine-American good will and cooperation.

Improved Relations

There is little doubt that our relations with Argentina have been considerably improved by the signing of this pact, which provides for a freer flow of commerce between the two most vigorous republics of the Western Hemisphere. And so will a credit of \$110,000,000 recently extended to Argentina to help her finance purchases in the United States.

But it must be remembered that the differences between Washington and Buenos Aires are deep seated, and official points of view are widely divergent. Those experts who are familiar with Argentina and its peculiarities know it will require more than a single trade treaty to clear away these differences.

Argentina, as it has often been said, is probably more like the United States than any other country in Latin America. From north to south this wedge-shaped land stretches 2,300 miles, and from the Atlantic to the ridge of the Andes, 930 miles at its widest point. The bulk of Argentina, which is about a third the size of the United States, lies as far south of the equator as we lie north of it. Therefore it is a temperate land, with a population composed largely of people of the white race. There are few Indians left. Most of the 13,000,000 Argentines are Spanish-speaking Europeans, with a sprinkling of Italians and Germans.

So Argentina is not as drowsy and easygoing as most of its Latin American neighbors. Life does not move with the speed of our own industrial northeast, to be sure, but it moves. Argentina has more railroads and schools and industries than her enormous neighbor, Brazil. Her literacy rating is far higher, and her foreign trade is far greater than Brazil's. It is no exaggeration to say that Argentina is the most dynamic country of Latin America.

The dynamism of the Argentines
(Concluded on page 6)



U. S. ARMY SIGNAL CORPS

The government's program calls for the enlarged production of these 28-ton M-3 tanks.

The Week in Defense

The following information is based on material furnished by the Office of Government Reports.

President Roosevelt has announced that by January 1 he will place before Congress a program to step up America's tank production to double its present levels as the first move in a long-range plan to provide a reservoir of American machines and materials. The President said the new program will exceed the figures outlined to Congress by William Knudsen, co-director of OPM, who estimated an increase of medium tank production from 1,000 to 2,000 a month. The additional tanks, according to President Roosevelt, will be produced for this country's armed forces rather than to meet lend-lease demands.

OPM Production Director Harrison says that "most of the designs for the four-engined bombers are . . . ready for mass production as soon as facilities are ready." New four-engined aircraft plants, he announces, are being built in Tulsa, Oklahoma, Fort Worth, Texas, and Ypsilanti, Michigan. They will be in operation by the summer of 1942.

OCD Director La Guardia has submitted a report, *The Progress of the Navy*, as of October 1, 1941, giving a description of the entire naval program. The report states that the Navy has 273,315 enlisted men on active duty, the Marine Corps 59,968, and with officer personnel the total is more than 350,000 men.

Labor Secretary Perkins reports that living costs for moderate-income families in large cities are now 9.6 per cent higher than in August 1939, the month before the outbreak of the war in Europe. Food costs, she says, are now 12.6 per cent higher than they were six months ago.

Price Administrator Henderson, in a memorandum to President Roosevelt reviewing Canada's emergency price-control measures, said the United States needs price-control legislation, "and we need it fast."

The present 54-group combat program of the Army air forces, according to the War Department, will be expanded eventually to 85 combat groups for adequate defense of the United States and areas within the Western Hemisphere "vital to that defense." The new program plans an increase in noncommissioned

strength of the air forces to more than 400,000 flying cadets and enlisted men by June 30, 1942.

Defense Oil Coordinator Ickes has announced that the British are returning 40 oil tankers to the United States. He says that 15 tankers will be returned immediately and the remaining 25 by November 30. The return of the tankers is provisional and they may be reassigned to shuttle service if renewed tanker aid is required.

Mr. Ickes also has withdrawn his request for the 7 p.m. to 7 a.m. East coast filling station "blackout" and says that individual gasoline dealers must determine whether they want to continue observance of the curfew. Mr. Ickes reports that East coast inventories of gasoline and oil have risen close to last year's levels, and "a more optimistic outlook . . . is now possible."

President Roosevelt has proclaimed November 11-16 as "Civilian Defense Week." The proclamation asks Americans "to become better informed of the many vital phases of the civilian defense program and of opportunities . . . for the participation of every individual American in defense of our priceless heritage."

Congress is soon expected to pass the Defense Highway Bill. This measure will provide from \$170,000,000 to \$195,000,000, according to the final outcome of the debate, for improving highways from the standpoint of national defense. The bulk of the money would be spent for access roads linking defense establishments with the national highway system. Part of it, however, would go for so-called "flight strips," or emergency roadside landing fields. Part would also be used for survey and research.

Nelson Rockefeller, coordinator of Inter-American Affairs, speaking at the Forum of the Foreign Policy Association in New York, pointed out that "we are taking almost three times as much copper from the other Americas as in 1938, 16 times as much zinc, over 60 times as much tungsten. . . ." Since we depend so greatly upon them, he said in substance, we should not let them down on industrial supplies which they need and which we are shipping to them in smaller quantities because of the defense program.

They Say About Us --

PROBABLY no nation in the world has given so freely of its energies and resources to other peoples in need as has the United States. We have an impressive record as a philanthropist among nations. Our contributions of food, shelter, and clothing to victims of war, pestilence, famine, and earthquakes in all parts of the world; our relief missions in Belgium, Hungary, Germany, and Russia during or after the World War, our aid to persecuted Armenians in Turkey, to thousands of Japanese left homeless by earthquakes—all these things and a score of others are remembered by the common people all over the world. It makes it very difficult for foreign propagandists to make much headway with anti-American news.

But efforts are being made, nevertheless, and just as anyone is interested in what his acquaintances say about him when he is out of earshot, the United States is interested in the type of propaganda being used against it. And there is a great deal of it. Night after night it is blared forth by the German and Italian radio, and day after day it appears in the Axis press. A certain amount, more moderate in tone, occasionally creeps into the neutral newspapers. Sometimes, though not always, this turns out to be the work of Axis agents.

The line usually followed by anti-U. S. propagandists is that we are a politically naïve and ill-informed people, thinking of the world in terms of our school geographies, and dividing all the peoples into sheep and goats. This line is usually followed in places like Spain, and in the conservative press of Vichy, France, which asserts that Americans are well-meaning, but simply do not comprehend the problems of other nations.

THE Japanese, who are more interested in what we do than any other people save the British, have adopted a generally hostile tone toward the United States for some years, although there have been periods of rather distant good will. Their anti-U. S. propaganda is usually mild, and sometimes difficult to understand inasmuch as it shows a peculiar Japanese twist. For example, the Japanese are greatly concerned with "face" or dignity. It means a great deal more to them than it does to us, as witness a recent Tokyo broadcast picked up in New York by CBS listeners:

"In spite of the fact that more than a month has passed since the issuing of the shooting order by President Roosevelt, American naval vessels, although they are fully equipped, are still unable to destroy or sink any German submarines or battleships.

"This has created a very serious problem of honor for the U. S. Navy, especially when the American destroyer *Kearny* has been inflicted severe damage (sic), had 11 members of the crew killed and 10 wounded."

In speaking of the American occupation of Iceland, some months previous, a Japanese army spokesman had been a little more straightforward:

"The landing of U. S. troops in Iceland creates the same impression in Japan as the landing of Japanese troops in the Netherlands Indies would create in the United States. There is no guarantee that the United States, on the other hand, might not take similar steps in the Pacific. . . . The war has thus far made a detour around America, but America is chasing after it."



W. W.

Virginia Gayda, Mussolini's mouthpiece.

THE Germans, who are our most consistent and harshest critics, usually try to read into our every move some threat to non-German countries, either in Europe, in Asia, or in Africa. Right now they are trying hard to unite Europe, so the German radio found it convenient to interpret our landing in Iceland as a threat aimed at the whole European continent:

"Roosevelt has now entered the operations area, the European theater of war, and therefore will have to bear the consequence. . . . Roosevelt's action is considered as a stab in the back of Europe, especially as Europe is now engaged in a war against Bolshevism. His policy is a continuous series of breaches of the law. His excuses for placing American troops in Iceland are totally untrue and intended only to mislead his people. Because the war is not moving toward his shores, he decided to scrap election promises and seek war, thus tearing up the Monroe Doctrine."

PERHAPS the most curious thing about Axis anti-American propaganda is the fact that it is bitterest of all in Italy, where the common people are generally cordially disposed toward the United States. If the Germans build up weighty cases against us based on misconstrued motives, half-truths, and outright lies, Italian propagandists limit themselves almost entirely to name-calling. They seem to have no patience for building up a case, preferring a frequent use of such epithets as "warmongers," and they often indignantly accuse the President of trying to turn the United States into a dictatorship, a curious charge to be coming from Italy. A good example is to be found in *Messaggero*, which railed at Secretary Hull's testimony before the Senate Foreign Relations Committee, recently, but told its readers precious little about what the secretary actually said:

"Hull is nothing but an agent provocateur. To be more precise, he is a vulgar, very vulgar agent provocateur, and while remaining always within the strict limits of the truth it can be added that he carries on without showing the slightest bit of shame. As a statesman, as a government personality, Hull is a frenzied organizer of criminals, a sure instrument for the most rascally undertaking."

Discussing the same subject, the conservative and generally respected *Corriere della Sera* called Hull a man of "boorish falsity," while describing the President as "that very vulgar blackguard in the White House."



A Nazi view of Roosevelt

Science and the Future

ON a small but highly efficient assembly line in Camden, New Jersey, skilled workmen are engaged in producing special types of weapons for defense. These are not guns, planes, nor crushing big tanks—they are powerful electron microscopes.

In a lonely field in California, a curiously shaped building is rising to completion. Looking somewhat like the span of a bridge, it is being constructed of heavy steel and strong rivets. Equipped with powerful but exactly designed instruments and machinery, it will house the largest cyclotron in the world. When finished, the great machine will have no less job than the smashing of atoms. It will try to unravel some of the deepest mysteries of science.

High on wooded Mount Palomar, also in California, a heavy dome-shaped structure stands gleaming in the sun. Inside, workers are busy



W. W.

LARGEST TELESCOPE ever built is being installed in a special building on California's Mt. Palomar. It will lead to new knowledge of the heavens.

with the installation of a giant 200-inch telescope. It will be the largest of all telescopes, and next year it will turn its finely polished mirror toward the heavens, exploring them for a better understanding of the universe.

These and other new tools which science is fashioning for itself may seem to have little connection with the nation's program of defense. Actually, they are of tremendous importance to the country. They will help scientists to obtain more complete knowledge about such little understood things as atoms, disease, plant life, energy, weather, light rays,

and the various actions of chemical combinations.

It is knowledge of such things that lies behind all inventions and discoveries. It is only as man learns more about natural forces, about the composition of matter, and about the behavior of energy, that he can stride forward in achieving new things. The automobile, the airplane, the machine gun, the cure for various diseases, the development of stronger metals, of plastics, and of precision machinery—all these things are made possible by the discoveries of science.

Thus the electron microscope, first developed to a practical state in 1935, is giving scientists the hope that they will be able to solve the mysteries of the virus—the cause of such diseases as infantile paralysis and influenza, and also the source of many plant infections. Much smaller than the germ, the virus has heretofore defied the best attempts of science to track it down. The electron microscope, which uses electron beams instead of light rays, is from 25 to 50 times more powerful than the best microscopes previously developed.

Similarly, the cyclotron and other atom-smashers may unlock the secrets of the atom. Scientists know that vast stores of energy are contained in the atom. By bombarding atoms with "electric bullets," consisting of particles even smaller than the atom itself, they have demonstrated that the energy content of the atom can be released. They have every confidence of success in developing a practical method of accomplishing this consistently.

Science and War

In every war science plays a most important part, and the nation which has the best scientific brains will enjoy great advantages over others. It is more likely to have the newest and best weapons; it will know better how to protect its armies and its peoples against attack and suffering.

The United States is fortunate in this respect, for it has ably demonstrated leadership in the field of science. The airplane is an American invention, and so is the machine gun. The modern tank is the result of American progress in developing trucks and motors. Dive-bombing,

parachute troops, and other advances in military science were originated in the United States and were later imitated by other nations.

There is no denying the many scientific achievements of Germany, nor the truth that the German people are noted for their scientific brains. There are signs, though, that Germany has been falling behind in the race for leadership in scientific research. It is estimated that today the United States is taking eight steps forward in science for every one step taken by Germany. The fact that German scientists are bound by a dictatorship which denies them freedom of thought and investigation causes them to lag behind. Moreover, a considerable number of scientists who formerly lived in Germany have left that country because of the Nazi dictatorship, and have come to the United States. Their brains are now in the service of this country.

During the present emergency, American science is in uniform. Over a thousand leading U. S. scientists are banded together under the National Defense Research Committee. Many of them are working on special projects which are now in the nature of strict military secrets. They are using their skill to make the United States a stronger, better-armed, and better-defended nation.

But while scientists are now giving their services to national defense, they continue to look ahead, beyond the present war, into the future. They hope that their discoveries, while devoted temporarily to war purposes, will help to bring a better and a fuller life to mankind in the future. Thus the giant bomber of today will be the great transport plane of tomorrow; new materials now used to make



RCA

THE ELECTRON MICROSCOPE, new wonder of science, is bringing into view things never seen before.

weapons of war will later on help to construct better houses, automobiles, clothes, radio and television sets.

Far more important than the development of products of this kind, is the search which is steadily going on to find answers to the truly great problems which confront science. The average person knows little about these problems, but his life is profoundly affected by them.

We have already referred to work done in two of these fields—unfathoming the mysteries of the atom and discovering more about the virus. Work of great importance is being accomplished in other branches of science. For example, much is being done in connection with the process known as photosynthesis. Photosynthesis is the process by which chlorophyll, the green pigment of plants, combines with sunlight, water, and carbon dioxide to produce plant growth.

When science learns more about photosynthesis, its whole knowledge of living things will be improved. Plants, after all, provide the food upon which all men and animals depend. Through a better knowledge of photosynthesis, science may be able to discover short cuts in the production of food and certain textiles.

Then, there is the work being done in the field of astronomy. Through the development of this science, much has already been accomplished in uncovering the mysteries of the sun, the earth, the moon, and the stars—our universe, or galaxy as science prefers to call it. Far out in the vast distances of space are still other galaxies. Science knows little about these other universes, and it still has a great deal to learn about our own. New telescopes will enable astronomers to see farther and to learn more about the galaxies.

Thus science, in time of war and in time of peace, presses along the trails which lead to greater knowledge. By learning more about man, and the world in which he lives, science is able to point the way toward a better and a happier future.



S M I L E S



Orator: "My friends, I am full of uncertainty."

Then a number of people in the audience looked at one another and hoarsely whispered, "He must have had hash for dinner."—PATHFINDER

Salesgirl: "Here's a lovely sentiment on this card: 'To the only girl I ever loved.'"

Customer: "That's the stuff. Give me a dozen of them."—SELECTED

"If I were trying to match politeness, I'd have some job finding it here," snapped an irate customer, her temper frayed by the rush of bargain hunters.

Equal to the occasion, the clerk said sweetly, "May I see your sample please?"—CAPPER'S WEEKLY

Teacher: "You should let bygones be bygones."

Pupil: "Then why do they make us learn history?"—SELECTED

"Do you prefer an English saddle or a Western?"

"What's the difference?"

"The Western saddle has a horn."

"I don't think I'll need the horn. I don't intend to ride in heavy traffic."

—CASLON COMMENTS

The landlady and the boarder were having an argument.

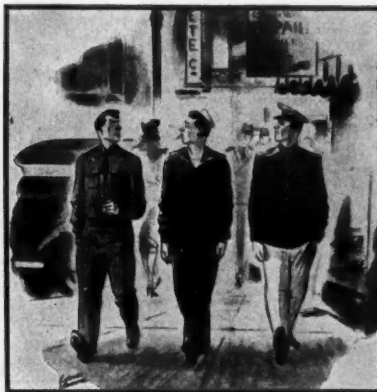
"I'm always at work," she said, "busy as a bee."

"You're not like a bee," said the boarder, "because a bee can only sting a person once."—SELECTED

The young man announced to a group of friends that he had been made manager of the First National Bank. One friend looked skeptical.

"You couldn't hold a job like that," he remarked. "What have you ever managed before?"

The fellow smiled condescendingly. "I managed to marry the president's daughter," he said.—SELECTED



"Personally, I'm for breaking this up. I feel too much like a defense poster."

JARDINE IN SATURDAY EVENING POST

"Your boss is a man of large caliber, isn't he?"

"Yeah, he's a big bore."—SELECTED

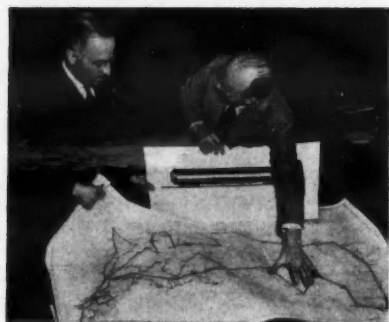
The Week at Home

Spreading Defense Orders

All signs in the nation's capital point to a doubling of the already gigantic arms program which the nation has undertaken. Production of airplanes is being stepped up, and the order has gone out that twice as many tanks are to be made for the armed forces as were scheduled. Thus, the pace is set for increases all along the line.

Because the program is growing to this extent, there will be greater pressure than ever to give a share in defense orders to industries whose normal business is drying up for lack of raw materials. The plan is to have more and more of these plants make parts and small items for companies which have large orders. The process is known as subcontracting, and one major company which is responsible for assembling and delivering the final order may have a number of subcontractors.

Seeing that subcontracts are made available to more and more plants which are threatened with shut-



OPM is endeavoring to spread defense contracts by sending three exhibit trains touring over the nation. The exhibits will show manufacturers what they might produce for defense. Above, Floyd Odum, director of OPM's contract distribution division, shows Senator Truman of Mississippi, the itinerary of the exhibit trains.

downs is the task of Floyd Odum, contract distribution director of OPM.

Coal Strike

At midnight on October 25, some 50,000 coal miners in Pennsylvania, West Virginia, Kentucky, and Alabama walked out on their jobs, and a strike was under way which threatened to shake the very foundations of both the labor movement and the defense program.

The striking miners were a small group, but they constituted more than 90 per cent of the workers in the so-called "captive mines," mines owned and operated for the exclusive use of the larger steel companies. Since these mines supply about three-fourths of the coal used by the steel industry, defense production relies heavily upon their uninterrupted output. If the strike were to continue, steel production, which means defense production, would be materially affected within 10 days, and virtually halted within a month.

Principal issue at stake was the union demand for the closed shop, under which all miners in the captive mines would have to become union members. The strike was called, after more than a month of negotiations, by John L. Lewis, former CIO president, and since 1919 president of the United Mine Workers of America.

Three urgent requests from the

President of the United States to keep the men at work were rejected by the mine chief, although he did agree to meet and discuss the problem with Myron C. Taylor, former chairman of the United States Steel Corporation. Lewis insisted that his fight was with that corporation, and not with the United States government. He affirmed that patriotism was not an issue, and that if the power of the state were to be used to restrain labor, it should also be used to restrain the steel companies.

In his Navy Day address on October 27, the President spoke pointedly and strongly regarding the issue: "Our nation must speak from every assembly line—yes, from every coal mine. . . . Our output . . . cannot be hampered by the selfish obstruction of a small but dangerous minority of labor leaders who are a menace . . . to the true cause of labor itself, as well as to the nation as a whole."

As we go to press, a wave of strong feeling is evident in the Capitol, with some congressmen demanding a crackdown which would outlaw defense strikes. It seems almost certain that President Roosevelt, if necessary, will take as strong action to prevent a prolonged shutdown in the "captive" coal mines as he did in the case of striking aviation workers in California a few months ago.

Sea Losses

During the 19 months of American participation in the World War, American ships were sunk at the rate of one and a half ships a week (see map, page 5). By a somewhat sinister coincidence, this is exactly the rate of sinkings during the last fortnight, for during that period three more cargo vessels belonging to this country were sent to the bottom of the sea by attacks of "international highwaymen."

Two of the latest victims were lost on the same day, October 16. They were the *W. C. Teagle* and the *Bold Venture*, both sunk off the coast of Iceland. More significant, however, was the case of the *Lehigh*, which was torpedoed just off the coast of Africa, near the port of Freetown, in waters far removed from the German proclaimed war zone.

The sinking of these three ships brings to 11 the toll of American ships, with a total of 94 lives, lost as a result of sea warfare. Only six



Fiorello La Guardia



N. & W. RAILWAY

OUT OF THE HILLS comes coal to furnish fuel for the industries vital to defense. A coal strike in mines serving the steel industry would cripple the defense program.

of these were sunk in the German proclaimed war zones.

Mayoralty Race

New York City has traditionally been dominated by a well-organized political machine known as Tammany Hall. This Democratic machine ran the city government over a long period of years until 1933, when the voters rose in revolt. Led by the Fusion party, they swept in a reform mayor in the person of Fiorello H. La Guardia, a stubby little man with a violent temper, a voluble tongue, and unlimited stores of energy.

For eight years the Tiger (symbol for Tammany Hall) has sat out in the cold biding its time while "The Little Flower" gave New York City an efficient and honest government. But a political machine cannot live without patronage, and it will die if it is out of office too long. Therefore Tammany is making a desperate attempt to get control of New York politics again in the election to be held November 4.

The Democratic candidate is William O'Dwyer, district attorney for Brooklyn, who immigrated to this country from Ireland 31 years ago. He is backed by many prominent Democrats and by Tammany Hall. Opposing him is La Guardia, son of an Italian immigrant, who is seeking a third term on the basis of his record. He has the backing of three parties, the Republican, Fusion, and American Labor.

Oil Shortage Ends

Britain's return of 40 oil tankers to the United States ends for the time being the confusion and controversy over the extent of the gas and oil shortage along the Atlantic seaboard. The threatened shortage, it will be remembered, was brought about when this country lent a number of tankers to Britain. Since the East normally obtains about 90 per cent of its petroleum products by water routes, the return of the borrowed vessels has eased the transportation strain.

Apparently Britain's fortunes in sea warfare have improved somewhat, or she would not have been able to give up the vessels. Should her position take a turn for the worse,

however, she might again seek American tankers, and the entire series of events would be replayed.

Red Cross Drive

Nine million people in the United States belong to the American Red Cross today, but the organization hopes to double the number for the coming year. Never since the World War, in fact, has the Red Cross launched as great a drive for members as it will get under way on November 11.



Red Cross poster

One dollar is the price of a year's membership, but a person may contribute more if he desires. Half the money remains with local Red Cross chapters scattered in communities throughout the nation, and half goes to the national organization.

The funds which are collected in the membership campaign will be spent within the United States—to help victims of fires, floods, and other disasters, and to provide services for men in the armed forces. The Red Cross, of course, has sent nearly \$50,000,000 worth of food, clothing, and medical supplies to war victims in foreign countries since the war began. But this money was raised through a special drive some months ago which brought in \$22,000,000, and part of it came from a fund of \$50,000,000 which the government has provided for the Red Cross to use.

The American Observer

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The Week Abroad

The Eastern Front

The German high command last week stepped up its drive toward Moscow. With the avowed aim of seizing the Soviet capital before the heavy winter snows slow operations, Hitler had assembled, in this one sector, what is undoubtedly the most formidable striking force in military history. Estimates of the number of tanks thrown into this struggle run as high as 25,000, are certainly not less than 10,000. At week's end, the Germans were making some progress, but their advance was slow.

They were moving ahead more briskly in the south. There, the Red armies had been compelled to evacuate most of the Donetz basin, major center of Russia's heavy steel and machine industries. The one thing

continued to exact vengeful reprisals for the slaying of two German officers, many Frenchmen were moved to strike a balance sheet of one year of "collaboration." What they found was this:

In spite of promises by Vichy that great numbers of French prisoners of war would be released by the Nazis, only 100,000 had been set free. Over 1,400,000 soldiers—the bulk of France's youth—still remain behind barred wire prison camps.

In spite of the fact that French industries and munitions works have been placed at the disposal of the Axis war machine, Berlin has done nothing to ease the crushing burden imposed upon France as the "costs" of the German army of occupation. Each day, Vichy must pay \$8,000,000 to Berlin.

The provinces of Alsace and Lorraine have been incorporated into Germany proper and 40,000 Frenchmen, expelled from this region, have been compelled to find new homes.

Watch on Somaliland

Having taken over Italian East Africa, the British Empire now controls most of the eastern shore line of the African continent. The line is broken just above South Africa by Mozambique which is in the hands of the friendly Portuguese. It is also broken at the strategic Bab el Mandeb, the narrow strait which marks the entrance to the Red Sea, by French Somaliland, a region which has been giving British statesmen some worry.

French Somaliland is a mere wedge on the map of Africa. A hot coastal lowland lifting toward a string of arid hills in the west, it affords a poor living to some 42,000 nomadic Moslems, and a handful of French civil officials. But two factors make it a region of importance. One is its situation on the flank of the shipping routes to Suez by way of the Indian Ocean. The other is the fact that its capital, Jibuti, is the terminus of the railway line leading from central Ethiopia to the sea. Since this is the only good commercial outlet for those portions of Italy's empire which have fallen into British hands, the British are very interested in this railroad.

After France fell last year, the British tried to persuade the French

administrators of the Somaliland region to align themselves with the Free French and British. The administrators, loyal to Vichy, refused. In an attempt to force them into line, or bring about their overthrow, the British then threw a land-and-sea cordon around the region, and cut off all the trade of French Somaliland.

Last week there were reports that British and Free French forces had invaded French Somaliland to put an end to Axis activities there. These reports have not been confirmed, but it is evident that a great deal is stirring on that sector of the East African coast.

News from Afghanistan

Afghanistan, the mountain "kingdom of stones, scorpions, and sanguinary feuds," perched high above India's northwest frontier, is one of the few remaining independent states of Asia. It is an exceedingly primitive land, without railroads, navigable streams, or good highways of any kind. Travel is by horseback and camel. Government is on a tribal basis, with some 10 million tribesmen looking for guidance to Mohammed Zahir Shah, whose word is law, despite the existence of a parliament.

Beneath the stony soil of Afghanistan are sizable deposits of lead, silver, copper, coal, iron, and oil. But these have been left untouched, and the Afghans of today concern themselves with the wool, skins, spices, and carpets known to their ancestors. Afghanistan has never been developed because the great powers have not wanted it developed. For thousands of years its two caravan routes, one leading through the Khyber Pass, and the other through Kandahar Pass enabled conquerors to pour down into India. To keep those routes closed, Britain and India have discouraged all tendencies toward modernization and development in Afghanistan.

Last week, after a period of negotiation between the British, Russian, and Afghan governments, it became known that Afghanistan had expelled all the agents of Germany and Italy at the request of the Allies.



THE BATTLE OF THE ATLANTIC has now resulted in the sinking of a number of American-owned ships. This map shows where some of them have gone down (see page 4).

There were less than 200 of these, but the British were taking no chances. With Afghanistan now in line, Britain has established a 2,000-mile front across southwestern Asia.

Mexican Oil

Three and a half years ago, in the spring of 1938, the Mexican government took over control of British and American oil properties valued at as much as \$400,000,000. Lazaro Cardenas, who was then president of



Latest in military tactics
JENSEN IN CHICAGO DAILY NEWS

Mexico, was within his rights in doing this, provided that the oil companies were compensated for their loss. The Mexican government was too poor to do this, and so a heated controversy began. While the dispute raged back and forth, Mexico's relations with Britain were severed, while those with Washington became quite strained.

During the last year or so, some of the difficulties between these three capitals regarding Mexican oil have been cleared up. Manuel Avila Camacho, Mexico's new president, has turned out to be more willing to compromise on the oil matter than was Cardenas. Then, too, the economic pressure exerted by the war in Europe and the fear of Nazism have driven Mexico closer to the Allies and the United States.

Last week relations between Britain and Mexico were reestablished and discussions began again in a less unfriendly atmosphere. The controversy has not yet been settled, however. The Mexican government has agreed to make a token payment of \$9,000,000 and a total of \$40,000,000 over a period of years to American owners. The American oil companies claim \$150,000,000 as their due and have expressed the fear that Mexico will never live up to its promises.



MARSHAL GREGORY ZHUKOFF has replaced Marshal Timoshenko as director of the defense of Moscow.

the Russians were able to do before yielding this prize to the invaders was to cart away large quantities of machine tools and other factory equipment into the interior.

In doing so, the Russians indicated that, though badly battered, they intended to continue the struggle against the Axis. There were other signs of this determination, notably the shakeup in the Soviet high command. Marshal Klementi Voroshiloff, who had been in charge of the Leningrad sector, and Marshal Semyon Budenny, of the Ukraine front, have both been relieved of their commands and are being given the task of training two completely new armies to be in fighting trim by spring. Taking Budenny's place in the Ukraine center is Marshal Semyon Timoshenko who had been in command of Moscow's defenses. Timoshenko has a tough job ahead of him, for there are few natural defenses in the Donetz basin and the armies there appear to have lost much of their mechanized equipment.

With these shifts, a new name has come into the headlines, that of General Gregory K. Zhukoff, chief of the Russian general staff, who has taken personal command of the armies holding the Moscow front.

Year of Collaboration

It was just about a year ago that Marshal Petain, aged chief of state of the Vichy government, met with Chancellor Hitler to lay the groundwork for the policy of "collaboration." By cooperating with the Nazi Reich, the marshal felt that France might redeem its military defeat, might even become a partner in Europe's new order.

Last week, as the Germans con-



AFGHANISTAN occupies a vital region touching on Russia, Iran, and India. The ousting of Nazi influence places it more definitely under British control.

Argentina and the United States

(Concluded from page 1)

is expressed most strongly in Buenos Aires. There are other cities, of course; there is Rosario, up the Plate; Bahía Blanca, which is a better port; and Mendoza, high up in the Andes, which is more beautifully placed. But "B. A.," as it is called, is the capital of everything Argentina has—trade, politics, music, literature, and industry. The Argentine railways seem drawn to it as by a magnet; so do the air lines, the river boats, the few highways, and young people just leaving school. So great is the migration from country to city that one out of every five Argentines now lives in Greater Buenos Aires.

Modern "B. A."

To the Argentines "B. A." means even more than Paris formerly meant to France. With its ultra-modern apartment houses, its chromium and plate-glass hotel fixtures, its fashionably turned out men and women, subways, sidewalk cafes, and wide boulevards, it is in fact an impressive place. About 500 clubs, 160 banks, 18 busy theaters, 130 movie houses, and 72 newspapers testify to its activity, and most of what industry Argentina has will be found in or close by its outskirts.

The Argentine capital was built on the edge of the pampa, the great central plain of the River Plate which extends over an area nearly as large as Texas. Buenos Aires is not a good port. Strictly speaking, it is a city of the pampa. Like a plant, it draws its nourishment from the plain, and serves as a funnel through which the commerce of the nation moves. Every day some 500 passenger trains pull out of Buenos Aires, clicking over industrial sidings, and then gathering speed as they pass into the country. Whether they go northwest along the Plate, west, south, or southeast toward Bahía Blanca, the flat pampa flows by on either side, as wide and immense as the sea, the monotony of landscape being broken here and there by a dusty town, the buildings of an elegant *estancia* half-hidden by trees, and occasionally by a string of enormous wagons hauling crops to the railway.

The railroads radiating out of Buenos Aires do not go far, except for a few international lines. Most of them serve a small semicircle, several hundred miles wide, which curves around Buenos Aires province. Here, in Buenos Aires province, and in Entre Rios, Santa Fe, Cordoba, and La Pampa, which adjoin it, is the chief farming area of Argentina. The light soil of the central region produces alfalfa and wheat in large quantities, the two making up half of Argentina's grain crop. In the north a warm moist soil encourages corn and flax, while the short cool summer to the south of the capital is better suited to the production of oats, barley, and rye.

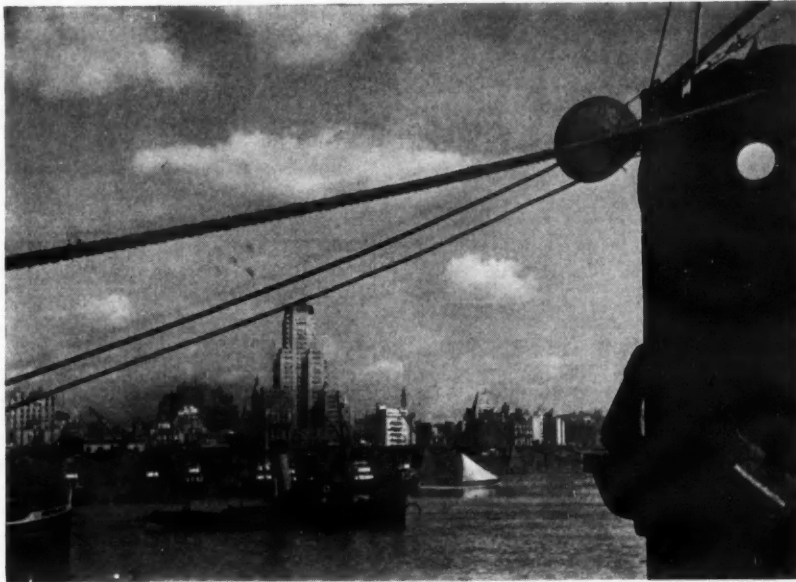
Beyond this somewhat concentrated region is the cattle and sheep country. The immense herds of cattle and the 40,000,000 sheep of the Argentine are an important source of wealth. The cattle contribute to Argentina's exports in the form of chilled, frozen, and canned beef, and hides; the sheep as wool and chilled mutton. The cattle country extends back into the dry, arid regions of the Andes. Half of the sheep crop the thin grass of Patagonia, which occupies the lower one-third of Argen-

tina, but which is larger than the pampa.

It is the country, the land beyond the limits of Buenos Aires, which supplies Argentina with its wealth. Goods from the country make up the bulk of Argentine exports. They have given Argentina a place among the 10 leading commercial powers of

ing, shoes, and small manufactures, and part of the demand for cotton cloth, linen, woolens, silk and rayon products. But the industrialists have been a minority.

The dominant position of the agricultural interests has had an important effect in shaping Argentine foreign policy. The Argentines have



A view of the Buenos Aires skyline from the harbor

the world; given her (in normal times) first place as an exporter of corn, and second as an exporter of wheat and wool. More than two-thirds of the world's linseed and meat exports come from the Argentine. It has been the wealth accrued from these exports which has built Buenos Aires, paved its streets, and dressed its upper classes so fashionably.

It is not surprising that the great *estancias* which raise the crops or cattle which supplies this wealth should dominate Argentine politics. For centuries the landowners, great and small, have held the vote. They have looked to the government to

always been looking for buyers. Since the United States raises its own cattle, wheat, alfalfa, corn, and so on, it offered a small market for Argentine produce. And since we would not buy from the Argentine, Buenos Aires traders would not place orders here if they could help it. When they wanted machinery, steel ingots, or motor cars, or even university education for their children, they naturally turned to those countries willing to buy Argentine goods—Great Britain, France, Germany, and Italy.

So it was that the bulk of Argentina's trade came to flow between



Beef is one of the leading products of Argentina

keep order and protect their property.

There have been, it is true, efforts to industrialize the land. Some "city interests" have been so active in building industries that the value of Argentine industrial output jumped 150 per cent in the last two decades, supplying nearly the entire domestic demand for cement, glassware, cloth-

Buenos Aires and Europe. This in itself did not necessarily mean friction with the United States. In fact we bought enough Argentine vegetable oils, linseed, and such minerals as tin, wolfram, and vanadium to rank among the half-dozen largest customers of the Argentine.

But when Congress, some years ago, passed a law banning all Argen-

tine chilled beef on the grounds that Argentine herds were afflicted with hoof-and-mouth disease, Argentine pride was hurt. The Argentines, who claim the finest herds in the world, were bitterly indignant.

The Argentines have had political reasons for not liking the United States too well. As the most dynamic country in the lower continent, Argentina naturally aspires to dominate that region—at least to dominate the so-called River Plate states—Uruguay, Paraguay, and Bolivia, and possibly Chile. Many Argentines feel they should stand first on the whole continent, as the United States stands first in North America. But they have always suspected that the United States was trying to undermine their position.

Causes of Friction

In past issues of THE AMERICAN OBSERVER we have traced the manner in which this ill-feeling has been mitigated by the war. Shut off from its European markets, Argentina has turned to the United States, which is today its best customer, and supplies more of its imports than any other country.

It would be a mistake to assume, however, that the Argentines now feel completely cordial toward the United States. Many of them have been badly frightened by Nazi activities in that country, it is true, but there are a number of thoughtful, well-informed Argentines who feel their government is being forced into line with United States policy. This is not to say that there have been threats. Argentine officials have simply watched American diplomats at work in neighboring capitals—in Brazil, Uruguay, Paraguay, Bolivia, and Chile. With the United States now in undisputed command of the South American market, Argentina has been powerless to resist as—one by one—these republics have been drawn toward the United States.

If there is any one thing that frightens the Argentines (outside of Nazi activity) it is the prospect of an alliance between the United States and Brazil. Many feel already that Washington is using Brazil as a giant lever to pry South America into line. Argentine realists appreciate the power of this pressure, and they are not anxious to find their country isolated and alone in a semi-hostile continent. But they do not like it. Sherry Mangan has related an interesting incident in *Fortune* magazine:

An intelligent Argentine of strong patriotic sentiments sought out this correspondent a few weeks ago with a copy of a U. S. newspaper, and irritably pointed out two items. One, written in a fine Sax Rohmer style, warned of a terrible danger to South American independence, hissed that Germany was sending technicians and "cultural" and trade missions and "observers" in increasing numbers to various South American countries. The other item announced that "hemispheric solidarity" was being much forwarded by the fact that the U. S. was sending technicians, and cultural missions and trade missions and observers in increasing numbers to various South American countries.

The Argentine looked at me with a wry smile. "Have you people entirely lost your sense of humor?" he asked, "or can't you do anything except hypocritically? Or do you, as I suspect, believe we are just completely fools?"

The obstacles between Argentine-American friendship are not insurmountable, but a great deal still needs to be done before they are cleared away.

U. S. Defense Setup

(Concluded from page 1)

members of the President's cabinet, who serve on various commissions, boards, and in other capacities.

Moreover, the work of the regular departments of the government has turned more to defense problems. For example, the Department of Agriculture is working on the problem of providing food for defense needs. The Department of Justice is turning much of its attention to discovering sabotage in defense plants and to uncovering the work of foreign agencies.

But above the regular agencies and departments are the boards and offices which are devoting their entire time to problems of defense. It is with them that we are concerned in this article.

The agency which is nearest the President is the Office for Emergency Management. The OEM serves as a great clearing house between the President and a dozen or so defense agencies. It keeps the President informed on what these agencies are doing and passes presidential orders on to them. The OEM is designed to eliminate waste of time and confusion which would result from the President's having to deal individually with each of the agencies on every problem that arose. The officer in charge of the OEM is Wayne Coy, a young man from Indiana (see page 8).

Key Agency

So far as the determination of defense needs is concerned, the Supply Priorities and Allocations Board is the key agency. The members of this board are the men who play the most important role in the defense program as a whole. They include the following: Vice-President Wallace, Secretary of War Stimson, Secretary of the Navy Knox, Harry Hopkins, William Knudsen, Sidney Hillman, Leon Henderson, and Donald Nelson, who is executive director.

As members of SPAB, these men decide upon the broad defense policies, subject always to the President's approval. To a large extent, they draw up the plans and give the orders which are carried out by all other defense agencies.

SPAB may be said to be the general headquarters of defense. Its members study our defense needs and draw up plans for speeding up production. They determine how

many supplies we shall send to countries fighting Hitler and how many we shall keep at home. Where there are shortages, they decide what proportion of the available supplies shall be used for military needs and what proportion for civilian goods.

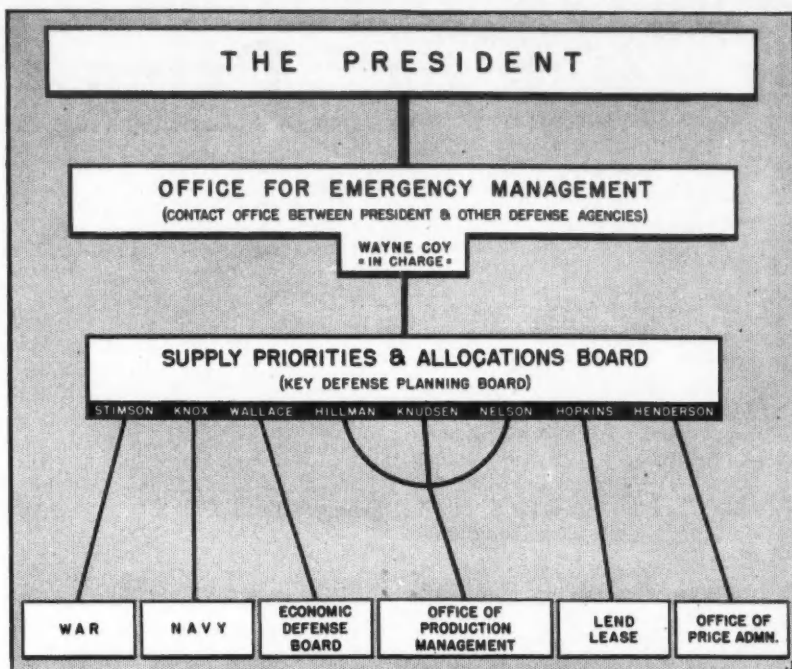
One of the functions of this agency is to hand down priority rulings. It decides which industries shall have prior rights to certain vital materials. It does not naturally pass upon every application for a priority right but lays down broad policies. Thus if it feels there is not enough steel for automobiles and for war equipment, it determines what proportion of the nation's steel supply shall be made available for civilian needs.

The OPM

Since the members of SPAB are key officials in the other defense agencies (as shown by the chart on this page), each is in a position to carry out the orders through his own special agency. Thus Donald Nelson, as a member of SPAB, may help decide that private builders will have a limited supply of materials, while Donald Nelson, as head of the Priorities Division of the Office of Production Management, will give out the order and will refuse requests to private builders for materials.

To a large extent, it is the Office of Production Management, the OPM, which executes the policies determined by SPAB. If SPAB decides that 50 new armament factories are needed, OPM sees that the job is done. Either the government builds the plants or private industry handles the work, with the help of government loans. OPM then arranges for the loan from the government. This is one of the jobs of the Production Division of OPM, headed by W. H. Harrison.

This is but one of the functions of the OPM. Altogether there are seven divisions under the agency, each charged with a special field of activity. We have already spoken of the work of the Priorities Division, headed by Mr. Nelson. The Purchases Division advises the Army and the Navy on the best time and place to buy food, clothing, and other supplies. The Labor Division handles problems of employment in defense industries. The Division of Civilian Supply, headed by Leon Henderson,



THE LEADING DEFENSE AGENCIES are shown in this chart which gives a general and simplified pattern of the government's defense setup.

allocates to civilian industries the supplies remaining after defense needs have been met. The Materials Division determines where and how needed materials may be obtained. The Division of Contracts Distribution's main work consists of distributing orders for defense materials to smaller companies.

These are the main activities of the OPM. Other defense agencies of outstanding importance are the following:

Lend-Lease Administration. Headed by Harry Hopkins, who is President Roosevelt's closest adviser, this agency has the great responsibility of determining how much war materials and other supplies we can spare for overseas assistance, where the supplies should go, and when. Since Mr. Hopkins is a member of SPAB, he is able to coordinate the lend-lease needs with the other features of the defense program. Much of the actual work of the Lend-Lease Administration is handled by Edward R. Stettinius, Jr., who has the authority to sign the President's name on lend-lease allocations.

Economic Defense Board. This board is headed by Vice-President Wallace and its membership consists of seven cabinet members. It is engaged principally in strengthening the trade bonds between the United States and nations friendly to us. It undertakes, for example, to reduce trade between Latin America and aggressor nations by permitting more Latin American products to be sold in this country. It makes plans for our government to buy from foreign lands large quantities of materials which are essential to our industries—materials we do not produce and may not be able to obtain later on. It also sees to it that American arms are not shipped to unfriendly nations.

Office of Price Administration. This agency is headed by Leon Henderson. While it does not have specific power to force producers to keep prices down to a reasonable level, it does exert every possible pressure on them to do so.

These are but the major of the defense agencies. Many others have been created to deal with defense problems. For example, there is the National Defense Mediation Board which attempts to prevent strikes in key industries by getting employers and workers to negotiate their dif-

ferences around a conference table.

The Division of Defense Housing Coordination is responsible for the job of seeing that houses are built for defense workers in the areas which face an acute housing shortage.

Among the other important defense agencies are the Office of Defense Health and Welfare Services, which was set up to improve the health standards of the American people; the Defense Communications Board, which keeps watch on telephone, telegraph, and radio communications, and coordinates their use for defense purposes; the Division of Transportation, which performs a similar function for the railroads and other instruments of transportation. There is the Office of Civilian Defense, under Mayor LaGuardia of New York, which has charge of mobilizing the civilian population for defense purposes. There is the Office of Scientific Research and Development, and there are many others.

All told, there are more than 25 defense agencies. The defense organization is becoming an immense and a complicated structure. It is constantly changing as new needs arise to require new bureaus and agencies. It is being geared to high speed, to increased efficiency in order to steer the nation through whatever emergency lies ahead.

Something to Think About

Defense Agencies

1. What is meant by the statement that the defense setup is a vast expansion of the "executive office of the President"?
2. Name the principal functions of the Supply Priorities and Allocations Board; of the OEM; the OPM.
3. What are the principal subdivisions of the OPM?
4. Name six of the key defense figures and tell something of the work of each.

Argentina

1. What are the principal sources of friction—political and economic—between Argentina and the United States?
2. Which economic group dominates the political life of Argentina?
3. How has the war affected the trade relations between the United States and Argentina?
4. What role does the city of Buenos Aires play in the political, social, and economic life of Argentina?



WASHINGTON, D. C., has become one of the most crowded and traffic-jammed cities of the nation as a result of the rapid swelling of population due to the defense program.

Below are sketches of some of the key figures in the defense setup. As is well known, in addition to those mentioned below, Secretary of the Navy Frank Knox and Secretary of War Henry Stimson both play major roles in the program. They are omitted, however, from this issue inasmuch as sketches of them appeared in THE AMERICAN OBSERVER of October 6.

It is no surprise to Washington insiders that Henry A. Wallace has been chosen by President Roosevelt to head two of the key defense agencies, the Supply Priorities and Allocations Board and the Economic Defense Board. New Deal intimates say that the President is grooming Mr. Wallace as his successor in 1944 and is therefore anxious to keep him in the spotlight.

There was never any danger that Wallace, as vice-president, would become this nation's "most forgotten man." Not that he is aggressive. He is, on the contrary, extremely shy and reserved. But somehow he has a knack for doing things that make good "newspaper copy." When he went down to Mexico as President Roosevelt's personal representative to the inauguration of Avila Camacho, he delighted his hosts by delivering a talk in excellent Spanish. He is full of surprises like that.

Wallace has plenty of critics, especially among those who disliked his farm policies when he was secretary of agriculture. But there is probably no other official in Washington whose sincerity and forthrightness have been brought less into question.

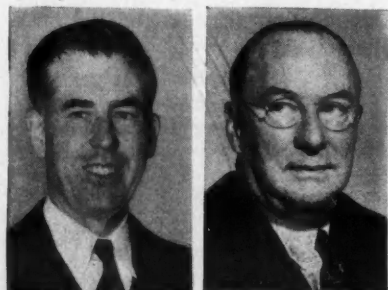
As executive director of the new Supply Priorities and Allocations Board, Donald M. Nelson is a real defense boss, so much so that he was recently called a "dictator by consent." He can and will tell American businessmen what they can manufacture, and he can and will tell American consumers what they can have plenty of and what they are going to have to do without.

Unquestionably Nelson is a capable man for his job of allocating America's supply of raw materials to the proper places. He possesses the energies of two men and uses ruthless efficiency to do the job.

A story related by R. P. Brandt in the Washington Star reveals that Nelson's organizing talents showed themselves early. It concerns an event during his stay at the University of Missouri:

He [Nelson] ate at the University dining club, then perhaps the cheapest place to eat at the University. This "club" was managed then, as now, by Stanley Sisson, who had bought a huge supply of canned rhubarb, which was served thrice daily for several weeks.

Nelson organized a group which raided the storage lockers and disposed of the remaining rhubarb, only to learn that Sisson had ordered another huge lot. The next day the diners raised a row at lunch, pounding



H. A. E. Henry Wallace

H. A. E. Donald Nelson

Defense Leaders

the tables with their knives, forks, and plates and shouting a "poem" written by Nelson: "Rhubarb tender, rhubarb tough; Good night, Sisson, we've had enough!"

NINE years ago Harry Hopkins was an obscure social worker. Today, after a long and checkered career in a variety of New Deal posts, he is Lend-Lease Supervisor as well as intimate friend and adviser of President Roosevelt. So close is he to the Chief Executive that he actually lives at the White House, occupying a bedroom next to the President's own. Here he sits at Lincoln's old desk, using the room as an office as did the Great Emancipator before him.

At the age of 51, Hopkins is a one-man cabinet in constant session with the President. As boss of lend-lease, he not only sees the Chief Executive at all hours of the day, but he also takes over many of his appointments for conferences.

Recently Hopkins was sent on a fact-finding mission to London and Moscow. For such activities he has been called "the eyes and ears of the President." He has also been called the greatest spender in history because of his experience in spending relief and defense money. In his four and one-half years as head of the federal relief program he was the subject of more criticism and controversy than all other New Dealers combined. Nevertheless, it is commonly agreed that he is a first-class administrator and organizer, and that "he thinks faster than anyone working for, against, or with him."

ONE of Washington's most genial smiles belongs to William S. Knudsen, associate director of the



H. A. E. Harry Hopkins

H. A. E. William Knudsen

OPM. This hardworking, thoroughly democratic industrial expert has always held the respect and affection of his fellow workers from the time he stepped ashore in New York as a 24-year-old Danish immigrant.

"Bill" Knudsen's first American job was in a shipyard, but in a short time he became superintendent of a Buffalo bicycle factory. When Henry Ford took over the factory in 1911 to manufacture automobile parts, Knudsen began the career that led to the top of the motor industry.

Last year when the President called him to Washington, Knudsen gave up his position as president of General Motors to help organize the machine tool industry for national defense. Nearly every week-end, however, he flies back to Detroit to see his children—his "kits."

Knudsen likes parties and dancing, with plenty of young people in the house to enjoy them with him. He is particularly fond of music. While

his hands are the large powerful ones of the manual worker, they are nimble enough when he turns to his accordion or xylophone.

SIDNEY HILLMAN, who shares the directorship of the OPM with William S. Knudsen, spent 30 years in the labor movement before coming to Washington. For 25 of those years he was president of the Amalgamated Clothing Workers of America, "one of the most potent and importantly pioneering unions in the country," according to one observer.

Hillman was born in Zagare, Russia, in 1887. As a boy he studied for the rabbinate, as most of the male members of his family had done be-



H. A. E. Sidney Hillman

H. A. E. Leon Henderson

fore him. At 15, however, he gave up his studies and went to a near-by city, where he worked in a chemical laboratory during the day and agitated with labor reformers at night. For his part in a labor parade, which the police broke up, he spent several months in jail. After his release he fled to England, and in 1907 emigrated to America.

In Chicago, Hillman entered the clothing industry, where he became prominent as a skillful labor organizer. Eventually he assumed leadership in the Amalgamated, and in 1933 was called to the Labor Advisory Board of the NRA. During the last eight years he has served on several other government boards, and for a time was closely associated with John L. Lewis in building up the CIO.

PRICE Administrator Leon Henderson has probably irritated and pleased more people in the last seven years than any other member of the Roosevelt administration. Even though "he looks like a Sunday-supplement caricature of a radical," as one writer observes, he is one of the keenest economists in the government. He is reputed to have influenced the New Deal more than any other person save one—the President himself. It is said that Henderson's impact on Washington "was not unlike that of the New England hurricane, except that the Henderson hurricane, after descending on Washington, has never passed."

From his early youth in Millville, New Jersey, Henderson has worked hard. During his student years at Swarthmore College he held at least 14 different jobs to earn enough money to stay in school. His college career was interrupted by service in the ordnance department during the World War, but he returned and graduated in 1920.

After college came a short excursion into Chautauqua, and then several years of teaching at the Uni-



H. A. E. Edward Stettinius

H. A. E. Wayne Coy

versity of Pennsylvania and at Carnegie Tech. Later he worked in the Pennsylvania state government and for the Russell Sage Foundation in New York City. In the latter place his investigations of the loan business led to an improvement in laws against loan sharks in 30 states. Under NRA Administrator Hugh Johnson he served as head of the Division of Research and Planning. Following the death of the NRA at the hands of the Supreme Court, Henderson held numerous important government posts and last year became price administrator.

ONE of the youngest of the men in charge of this nation's defense effort is Edward R. Stettinius, Jr., who assists Harry Hopkins in administering the lend-lease program. Only 41 years old, he gave up one of the country's leading industrial positions—chairman of the board of the United States Steel Corporation—to come to Washington.

This is not, however, his first experience with government administration. During the early days of the New Deal, he served as a "contact man" between the NRA and private industry.

Stettinius' career is no penny-thriller story of slum to select club. He was born to great wealth. But where others in his position might have been content with a life of unexerting ease, Stettinius has been hard at work ever since he left the University of Virginia.

IF you have never heard of Wayne Coy, that is not surprising, for he is a stranger to most Americans. Yet this 37-year-old "youngster" from Indiana is an enormously important person in the defense program. As special assistant to the President and liaison officer for the Office of Emergency Management, Wayne Coy is in a position to keep his finger on the pulse of the defense program.

Behind this imposing title is a quiet man with an unimposing appearance, but he is described as a "bearcat for work" and an "organizing wizard." Coy's job is to be the connecting link between the President and the numerous defense agencies, such as OPM, the Office of Price Administration, and the Office of Civilian Defense.

Coy is said to stand second only to Harry Hopkins in the White House confidence. He has many important decisions to make regarding defense policy subject only to the President's approval. For these responsibilities he will need all the experience he has had as a newspaperman, social worker, and politician.

Pronunciations

Bahía Blanca—bah-ee'ah blahng'kah
Entre Rios—en'tray ree'oes
Jibuti—jee-boo'tee
Rosario—roe-sah'ree-oe
Voroshilov—voe-roe-shee'loff
Zhukoff—zoo'koff